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1115 A ED

E X 295



14 January 1987

Dear

Congratulations on your award!

Attached is our latest effort. Please do not take it as our last. We are working for lower prices -- as promised and believe we can get them. Be patient, please.

I have circled those items where we are already under your quotes to me of 8 January.

Our sources were astounded at your quotes: "ridiculous to nuts". In some cases they assert that your quotes are below factory prices for brand new production. We have a real guestion as to whether your old suppliers are truly offering new equipment. For example, in case of please see our range of quotes.

We are above your prices but notice the types. Can your supplier really provide the

Our suppliers, with seeming sincerity, point to this weapon -- which they handle all the time -- as an example where the "competition can't be right".

Incidentially, our sources believe we are obtaining these weapons from your list for Arab nations; hence security is being maintained, as you would wish.

Partially Declassified/Released on <u>Erch FS</u> under provisions of E 0 12355 by K. Johnson, National Security Council



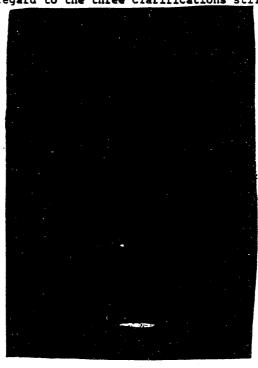
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In the case of the of Chinese origin, Defense and Foreign Affairs lists the price at \$260 for \$230 for

With regard to the three clarifications still sought:



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Please help us clarify these. It is slowing up process of obtaining lower quotes.

Warm regards

3 incl a/s

Note for GMT File: Incl. $\mbox{w/}$ pictures and text of three items.

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